



NASA Procedural Requirements

COMPLIANCE IS MANDATORY

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Reimbursable Agreements

Responsible Office: Office of the Chief Financial Officer

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Preface

P.1 Purpose

This NASA Procedural Requirements (NPR) provides the financial management requirements for Reimbursable Agreements.

P.2 Applicability

This NPR is applicable to NASA Headquarters and NASA Centers, including Component Facilities and Technical and Service Support Centers. This language applies to JPL, other contractors, grant recipients, or parties to agreements only to the extent specified or referenced in the appropriate contracts, grants, or agreements.

P.3 Authority

- a. 15 U.S.C. § 5601-5602, Land Remote Sensing Policy Act of 1992
- b. 15 U.S.C. § 5807, Commercial Space Competitiveness Act - Use of Government Facilities
- c. 16 U.S.C. § 470h-3, National Historic Preservation Act
- d. 31 U.S.C. § 902, Chief Financial Officers Act of 1990
- e. 31 U.S.C. § 1535, Economy Act of 1932
- f. 31 U.S.C. § 3302, Custodians of Money
- g. 31 U.S.C. § 9701, Fees and Charges for Government Services and Things of Value
- h. 42 U.S.C. § 2451 et. Seq., National Aeronautics and Space Act of 1958
- i. 42 U.S.C. § 2459j, Enhanced Use Lease (EUL) of Real Property
- j. 49 U.S.C. § 701, Commercial Space Launch Act
- k. Memorandum for Chief Acquisition Officers, Senior Procurement Executives from the Administrator, Office of Federal Procurement Policy, "Improving the Management and Use of Interagency Acquisitions," June 6, 2008.
- l. Federal Acquisition Regulation (FAR) Part 17.5, Interagency Acquisitions.
- m. 14 CFR § 1215, "Tracking a Data Relay Satellite System (TDRSS)."
- n. OMB Circular No. A-11, Preparation, Submission, and Execution of Budget
- o. OMB Circular No. A-25, User Charges
- p. OMB Circular No. A-45, Rental and Construction of Government Quarters
- q. OMB Circular No. A-97, Specialized or Technical Services for State and Local Governments
- r. Statement of Federal Financial Accounting Standards (SFFAS) No. 4: Managerial Cost Accounting Standards and Concepts, Issued July 31, 1995.

s. Statement of Federal Financial Accounting Standards (SFFAS) No. 7: Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial

t. Accounting, Issued May 19, 1996

u. Statement of Federal Financial Accounting Standards (SFFAS) No. 30: Inter-Entity Cost Implementation: Amending SFFAS 4, Managerial Cost Accounting Standards and Concepts, Issued August 15, 2005

v. NASA Policy Directive (NPD) 9010.2, "Financial Management"

P.4 Applicable Documents

None

P.5 Measurement/Verification

Quality assurance reviews and analysis of financial and budgetary reports and data submitted through the continuous monitoring program will be used to measure compliance with this NPR.

P.6 Cancellation

None.

/S/

Terry Bowie

NASA Deputy Chief Financial Officer

Chapter 1. General Overview

1.1 Overview

1.1.1 This NPR establishes financial management policies for reimbursable agreements related to (1) administrative procedures; (2) pricing reimbursable agreements; and (3) exceptions and costs. These policies are applicable to all agreements for reimbursable and related activities performed by National Aeronautics and Space Administration (NASA) Headquarters offices and the NASA Centers. NASA has the authority to enter into agreements that allow for reimbursable work with other Federal and non-Federal entities, for the reimbursable use of NASA facilities, personnel, expertise, or equipment. The term reimbursable work as used throughout this NPR includes use of NASA facilities, personnel, expertise, materials and supplies and equipment. The term customer is used in this NPR to identify the entity receiving services, materials, or support from NASA on a reimbursable basis. NASA Policy Directive (NPD) 1050.1, "Authority to Enter into Space Act Agreements," and NASA Advisory Implementing Instruction (NAII) 1050-1, "Space Act Agreements Guide," provide the policies and procedures governing the establishment and contents of NASA Space Act Agreements.

1.1.2 Categories of Reimbursable Agreements.

1.1.2.1 Classifications of Reimbursable Agreements. Per NPD 1050.1, "Authority to Enter Into Space Act Agreements," it is NASA's policy to utilize the broad authority granted to the Agency in the Space Act to further the Agency's missions and that work performed in connection with reimbursable agreements shall be consistent with the Agency's missions. Accordingly, reimbursable agreements shall be classified appropriately in accordance with the type of work being performed, which can include work related to Agency programmatic missions (i.e., that are directly related to an existing NASA program) or support functions. The classifications should be reflected in a work breakdown structure (WBS) structure. Some reimbursable agreements in support of existing NASA programs involve collaborative arrangements in which the customer/partner provides funding for some portion of its share of the project. There is also a very broad category of agreements that includes research and test services, facilities type services such as host-tenant agreements, and any other reimbursable agreements that are not directly related to an existing NASA program. Unless otherwise indicated in connection with the specific type of agreement, a full cost Estimated Price Report (EPR) must be prepared for reimbursable agreements and alternative sources of funding must be determined for any waived incremental costs.

1.1.2.2 Additional Types of Reimbursable Agreements. In addition to reimbursable agreements where the work is consistent with Agency missions, there can be other types of reimbursable agreements.

1.1.2.3 Host-Tenant Agreements. A host-tenant agreement is an agreement between NASA and another organization that provides for the use of NASA facilities, institutional services, or for provision of support services, including but not limited to guards, automated data processing (ADP) personnel, or other support to the non-NASA customer. A host-tenant agreement is a type of interagency agreement (IA) or Space Act agreement that establishes the formal relationship between NASA and the non-NASA party. These agreements define the relationship between the parties, delineate the general policies and responsibilities, specify responsibilities for identifying requirements and delivering services, establish the basis for reimbursement by the tenant to NASA, and recognize the non-NASA party as a tenant with long-term requirements that will be described by an extended plan (frequently five years) and annual updates. Exhibits that provide information on

the specific facilities and services that NASA will provide may support the agreement and how the tenant will reimburse NASA for them. For a Government tenant, funding documents will explain reimbursement procedures. Pricing requirements are identified in Chapter 4 of this NPR.

1.1.2.4 Intergovernmental Personnel Act Agreements. The Intergovernmental Personnel Act (IPA) (5 U.S.C. § 3371-3376) permits Federal Agencies to enter into agreements governing the assignment of personnel to or from, state, and local governments, institutions of higher learning, Indian Tribal Governments and other eligible organizations on a temporary basis. The Office of Personnel Management has issued implementing regulations (5 CFR § 334) and NASA has issued procedural requirements in NPR 3300.1. Reimbursement is limited to basic pay, supplemental pay, fringe benefits, and travel and relocation expenses. NASA Centers are not required to prepare Estimated Price Reports (EPR) and develop a full cost Reimbursable Agreement for IPA agreements. Reimbursements for IPA agreements shall not include indirect or administrative costs associated with the assignment. This includes charges for preparing and maintaining payroll records, developing reports on the mobility assignment, and negotiating the agreement. Other costs that can not be reimbursed include tuition credits, office space, furnishings, supplies, staff support and computer time.

1.1.2.5 Reimbursable Travel Agreements (Also Known as "Travel-Only" Agreements). Under Reimbursable Travel Agreements another party agrees to reimburse NASA for travel expenses incurred by a NASA employee. These agreements are used when the NASA employee is making a presentation or other appearance that is approved in accordance with 41 CFR § 304, NPD 9701.1, and NPD 1385.2. They are called "travel-only" agreements because they involve reimbursement for only the actual travel expenses and are not to be utilized for the provision of products and/or services. Travel-only agreements permit reimbursement for expenses incurred by the traveler normally incidental to travel, including, but not limited to, transportation, accommodations, registration fees, automobile rental, meals, and other directly related expenses that the traveler incurs. Travel only agreements shall not include payment for the cost of the time the traveler spends traveling, or while away from his/her home site, or for any services that person provides. The individual is not allowed any supplementation of his/her salary in "travel only" agreements. NASA Centers are not required to prepare Estimated Price Reports or develop a full cost Reimbursable Agreement for travel-only agreements.

1.1.2.6 Pass-Thru Reimbursements. Pass-thru reimbursements represent agreements where NASA allows another party to obtain services from a NASA contract as a convenience to the other party. In such cases, NASA is not providing any type of product, service, or use of facilities other than the processing of the contract. For example, a NASA Center may accept funding from another party for the other party's share of a utility bill when service for both parties has been established under a single utilities contract. Another example, NASA repairs a fence and the entity on the other side of the fence shares that cost. The Centers are not required to prepare an Estimated Price Report and develop a full cost reimbursable agreement for pass-thru reimbursements. NASA Centers may charge an administrative fee to cover the cost associated with processing this type of reimbursement.

1.2 Roles and Responsibilities

1.2.1 NASA Agency Chief Financial Officer (CFO) shall:

- a. Develop, issue, and interpret financial management policies for reimbursable agreements.
- b. Maintain financial records and related reports, including Agency-wide reports of reimbursable obligations, costs, accounts receivable, and collections during the year.
- c. Request and receive apportionments of reimbursable authority from the Office of Management

and Budget.

- d. Review supporting documentation and issue reimbursable resources authority (NF 506A-R) to Centers.
- e. Implement internal controls necessary to prevent over-obligation of reimbursable funds.
- f. Ensure that WBS codes are assigned to reimbursable agreements in accordance with NASA policy for numbering programs and projects.

1.2.2 Agency Associate Administrators for the Mission Directorates, Officials in Charge of Headquarters Offices shall:

- a. Perform the following for Headquarters-negotiated reimbursable agreements:
 - b. Negotiate, amend, and terminate as appropriate Headquarters-negotiated reimbursable agreements (except International Agreements), prepare or obtain EPRs from performing organizations, and obtain necessary concurrences, including the Agency Office of the Chief Financial Officer (OCFO).
 - c. Execute the agreement and authorize the work.
 - d. Monitor the financial status of Headquarters-negotiated reimbursable agreements and take action as needed to ensure that NASA receives the proper level of reimbursement.
 - e. Arrange necessary approvals or terminations.
 - f. Identify and provide funding to cover all proposed waived cost that the Mission Directorate believes should be funded by one of the Mission Directorate's programs.

1.2.3 Assistant Administrator for External Relations. The Assistant Administrator for External Relations (or designee) is responsible for negotiating, amending, executing, and terminating International Space Act Agreements.

1.2.4 NASA Headquarters Director for Headquarters Operations. The Director for Headquarters Operations is responsible for:

- a. Reviewing and concurring with Headquarters-negotiated reimbursable agreements and Estimated Price Reports (EPR).
- b. Verifying that all Headquarters accepted reimbursable agreements are assigned a WBS identity.
- c. Securing and documenting exceptions to full cost and advance requirements for Headquarters-negotiated agreements.
- d. Performing closeout of Headquarters negotiated agreements.

1.2.5 NASA Center Directors and the NASA Management Office-Jet Propulsion Laboratory. NASA Center Directors and the NASA Management Office-Jet Propulsion Laboratory are responsible for negotiation, execution, amendment, and termination of reimbursable agreements for their respective Center.

1.2.6 Center Chief Financial Officers (CFOs) (and for Headquarters negotiated reimbursable agreements, the Headquarters Director for Operations) shall:

- a. Ensure that market surveys are conducted for each area of reimbursable work or services the Center provides that are also available from non-NASA sources.
- b. Review and approve or non-concur with all Center negotiated reimbursable agreements and

Estimated Price Reports (EPRs) including the amount and funding source, if needed, of all price adjustments or waived costs. A funding source would need to be specified in the case of waived incremental costs.

- c. Verify that all agreements, or separately funded orders under multiple order agreement(s), are assigned a WBS.
- d. Maintain financial control over each agreement and generate all financial reports.
- e. Implement internal controls necessary to prevent over-obligation of reimbursable funds.
- f. Properly document and approve waivers of advance payment requirements from non-Federal customers. Confirm that a valid source of direct program funding would be available to fund project obligations and costs in case a reimbursement can not be realized from the reimbursable customer.
- g. Ensure the program office has obtained any NASA program funding that was negotiated as part of a programmatic reimbursable agreement.
- h. Ensure obligations and costs related to reimbursable agreements are clearly charged to proper reimbursable funding and to correct WBSs.
- i. Maintain complete financial records of all reimbursable agreements including estimated costs, waived cost and the reason for the waiver, actual costs, estimated customer reimbursement, and actual customer reimbursement.
- j. Ensure the reimbursable budget authority is distributed within the Center to reimbursable projects based on signed agreements. Distribution of budget authority is discussed in NPR 9470.1, Budget Execution.

1.2.7 Agreement manager and supporting resource management staff shall:

- a. Prepare Center-negotiated reimbursable agreements and EPRs, and obtain required concurrences including that of the Center CFO.
- b. Ensure there is justification for any waivers of advance payment requirements. Per NPD 1050.1, "Authority To Enter Into Space Act Agreements," where a non-Federal party demonstrates a financial hardship or legal restriction prohibiting advance payments and is requesting that reimbursable work commence in advance of the receipt of funds by NASA, a waiver must be approved by the NASA CFO (for Headquarters Agreements) or Center CFOs (for Center Agreements). Such a waiver may only be approved if the work is of a type that NASA could properly fund on its own and funds are certified and allocated to account for costs that may accrue prior to the provision of funds by the non-Federal party.
- c. Where an advance is not received from a non-Federal reimbursable customer, ensure that a valid source of direct program funding would be available to fund project obligations and costs in case a reimbursement is not realized from the non-Federal customer. A valid source of direct funding should be consistent with the intended purposes of direct program funding in accordance with 31 U.S.C. §1301(a). If NASA makes or authorizes an expenditure or obligation without a valid source of funding, that may constitute a violation of 31 U.S.C. § 1341(a) Antideficiency Act.
- d. Coordinate with the Center CFO to develop the WBS at the customer order level where the customer issues individual orders under one agreement.
- e. Comply with established internal controls and implement additional controls if needed to prevent over obligation of reimbursable funds.

f. Immediately notify the Center OCFO when conditions necessitate Center OCFO action including changes in the price of the agreement, termination of the work, or closeout of the agreement.

g. Develop budget estimates for individual reimbursable agreements as required in the annual budget guidance.

h. Review and validate obligations and costs assigned to the reimbursable project in order to ensure that the reimbursable customer is properly charged.

i. Monitor both cumulative project costs and projected costs in order to complete the project. Determine whether additional funding will be needed and to arrange incremental funding from the customer, if needed, in collaboration with the Agreement Manager and the Center CFO office. Determine whether incremental funding will be required to permit continued performance under the agreement if funds are expiring (either NASA reimbursable funding or funds from a Federal reimbursable customer). Budget authority to incur new reimbursable obligations shall be based on available appropriations and shall not include unobligated balances that have since expired.

1.2.8 Headquarters Office of General Counsel and the Centers' Office of Chief Counsel shall review, provide legal guidance, and concur with each agreement in accordance with applicable laws, regulations, and internal NASA policies.

Chapter 2. Reimbursable Agreement Administrative Procedures

2.1 Introduction

2.1.1 This chapter issues policy and procedures for administrative financial requirements of all reimbursable agreements.

2.2 Reimbursable Agreements

2.2.1 Reimbursable agreements shall contain:

- a. Legal authority both for performing the reimbursable work and for crediting reimbursements to National Aeronautics and Space Administration (NASA) appropriations.
- b. A complete description of the work or services to be performed as required in NASA Advisory Implementing Instruction 1050-1, Space Act Agreements Guide, descriptions of deliverables, and a statement of why the project is being supported.
- c. Period of performance, including initiation date, interim milestones if relevant, and completion dates.
- d. Identification of the NASA billing organization.
- e. Identification of the customer payment office, phone number, address, Reimbursable Agreement Number and any other identifying number (i.e., order number, date of Memorandum of Understanding).
- f. For Federal agency customers, the agency's fund citation including the appropriation symbol and expiration date; the customer agency's Treasury Agency Location Code (ALC) and Dun & Bradstreet Universal Numbering System (DUNS) number.
- g. For Federal customers that have approved billing and collection via Treasury's Intergovernmental Payment and Collection (IPAC) system, the signed agreement must contain the customer's financial information required to process the IPAC transactions.
- h. For non-Federal customers, the agreement must contain the requirement for advance payment (unless expressly waived).
- i. The agreement should include descriptions of significant cost components. Rate(s) at which indirect costs are to be applied (i.e., Center Management and Operations rate) should be indicated in the agreement.
- j. Where multi-order agreements are used, individual orders will identify the goods and services ordered, prices, delivery terms, initiation date, and completion date, as appropriate.
- k. Descriptions of Interim or Final Financial Status Reporting. It shall be the responsibility of the reimbursable customer to specify content and frequency of interim or final financial status reports prepared by NASA and furnished to the reimbursable customer. Requirements for financial status reports, if any, should be included in the terms of the reimbursable agreement. Notwithstanding requirements for interim or final financial status reports, support for customer billings can be

furnished as needed as well as descriptions of balances remaining available to continue work under the agreement. If the customer is another Federal agency, in accordance with Treasury Financial Manual, Bulletin No. 2007-03, Subject: Intragovernmental Business Rules, such performance reporting shall be provided no later than 30 days after the accountable event, or before the close of the quarterly reporting period, whichever occurs first.

1. Reporting of Full Cost to Federal Agency Customers. In accordance with Statement of Federal Financial Accounting Standards (SFFAS) No. 30, Inter-Entity Cost Implementation: Amending SFFAS 4, Managerial Cost Accounting Standards and Concepts, NASA (as the performing agency on reimbursable agreements) shall be responsible in certain circumstances for reporting full costs of work being performed to the other agency customer regardless of what portion of the full costs are reimbursed. The customer agency must have already determined that full costs as reported by NASA: (1) are significant to the other agency, (2) form an integral or necessary part of the other agency's output, and (3) can be identified or matched to the reimbursable project with reasonable precision. It is the responsibility of the other agency (i.e., a Federal reimbursable customer) to include applicable reporting requirements in order to comply with SFFAS No. 30 in the reimbursable agreement. Unless the requirement for full cost reporting is included in the terms of the reimbursable agreement, it will not be policy to report NASA's full costs to reimbursable customers of reimbursable agreements, other than as support for reimbursable billings.

2.2.2 Documentation of reimbursable agreements shall include:

- a. Estimated Cost of the Work or Services, with any Revised Estimates. If there are revised cost estimates, there should be documentation of that with a revised Estimated Price Report (EPR). There should be a corresponding modification to the agreement as signed by both parties or justification(s) and approval for any waived incremental costs, as appropriate. Similarly, if there is a modification to proposed funding source(s) for waived incremental costs that should require approval by the Center Chief Financial Officer (CFO). If revised estimates will affect the terms of the agreement with the reimbursable customer (i.e., expected total reimbursement from the customer, schedule or scope of performance), signatures for an agreement modification should include those from an authorized NASA person and the reimbursable customer in accordance with NPD 1050.1. If a revised estimate will not involve a change to the terms of the reimbursable agreement, approval of the modified estimate would be internal within NASA. Examples of modifications that do not require a signature from the reimbursable customer would include changes to account designations and amounts of alternative sources of funding for incremental waived costs, etc. as long as the amount ultimately due from the customer is not changed.
- b. The total cost of the agreement, the price to be borne by the customer and the cost, if any, to be borne by NASA.
- c. The funding citation(s) for the NASA portion of the work.
- d. For non-Federal customers, an approved waiver of the advance payment requirement, if applicable.

2.2.3 Business Rules.

2.2.3.1 Each reimbursable agreement will be assigned a project work breakdown structure (WBS) in accordance with Agency policies and procedures for program and project identification. All reimbursable agreements (or stand alone orders under multiple order agreements) must be numbered so that they can be individually identified.

2.2.3.2 Costs are to be recorded in accordance with the full cost requirements of NPR 9060.1, Cost. In addition, the estimated and actual waived cost as well as the estimated and actual customer

reimbursement must be documented for each agreement.

2.2.3.3 No commitments or obligations may be established nor costs incurred under a reimbursable agreement until the agreement has been approved and signed by authorized representatives of both NASA and the customer, and the following conditions are met:

- a. Formal reimbursable funding authority has been issued to the performing Center(s) through the Fund Control Process contained in NPR 9470.1, Budget Execution; and
- b. If the customer is a non-Federal entity, a cash advance has been received by the Center, except where otherwise authorized by law and approved by the Center CFO; or
- c. If the customer is a Federal agency, an advance or funds citation has been provided. Advances may be requested from Federal customers via IPAC for agreements greater than \$1 million dollars or if determined by the NASA Center CFO to be in the best interests of NASA and the Center in order to maintain cash solvency.

2.2.3.4 The execution of reimbursable agreements is subject to all of NASA's normal program management, financial management, and procurement procedures. In addition, the following requirements apply to reimbursable agreements:

- a. Financial records and reports must be maintained at both the customer order level, as well as the agreement level, to facilitate performance management and financial management.
- b. Performance, billings, and closeouts will be executed on a timely basis as specified in the reimbursable agreement and in NPR 9210.1 and 9610.1.
- c. NASA Headquarters and Centers must comply with the intragovernmental transaction data and reconciliation requirements contained in Office of Management and Budget (OMB) Memo M-07-03, Business Rules for Intragovernmental Transactions. The rules are located in the Treasury Financial Manual, Volume 1, Bulletin 2007-03. They are mandatory for all Departments and Agencies.

2.2.3.5 Before each Reimbursable Agreement is approved, the Center CFO will ensure that all of the following requirements are satisfied:

- a. The estimated full costs of performing the work are analyzed for each proposed agreement.
- b. Where applicable the market based pricing structure established for the Center will be applied to the agreement. The difference between the full cost and the market based price is the waived cost and will be shown in the price adjustment column of the EPR.
- c. If the amount of the price adjustment, or proposed cost waiver on a cost based agreement, requires waiving any incremental costs that will be incurred because of the agreement, the Center CFO must obtain alternative funding for the waived incremental cost.
- d. The pricing applied to the reimbursable agreement will not result in reimbursable revenue that is in excess of the full cost of providing the work, unless the excess revenue is promptly deposited into Treasury's miscellaneous receipts account.
- e. In the case of a non-Federal reimbursable customer, a cash advance will be obtained before performing work. If there is a waiver of the requirement for an advance, the justification for the waiver should be reviewed and approved in accordance with NPD 1050.1.
- f. Multiple Order Reimbursable Agreements. When a reimbursable Space Act agreement calls for the issuance of multiple individual orders, each order will be treated as a separate agreement for the

purposes of costing, pricing, billing, and collection. The requirements of this NPR are to be applied to each order as if it were a single stand alone agreement.

g. Reimbursable Agreements with Federal Customers. By signing the agreement, the Requesting Agency confirms that a bona fide need exists and that funds are for the designated purpose, meet time limitations, and are legally available for the acquisition described in the agreement; that all unique funding and procurement requirements, including all statutory and regulatory requirements applicable to the funding being provided, have been disclosed to Servicing Agency (i.e., NASA); and all internal reviews and approvals required prior to transferring funds to NASA have been completed. NASA's acceptance of the document creates an obligation on the part of the Requesting Agency (i.e., the customer).

2.2.4 Monitoring Controls. Internal controls must be established and enforced to prevent the amount chargeable to the customer from exceeding the reimbursement amount specified in the reimbursable agreement.

2.2.4.1 All levels of management involved in the execution of the reimbursable agreement, including but not limited to, the reimbursable project manager, service pool managers, and the Office of the CFO share this responsibility.

2.2.4.2 Reimbursable project costs must be closely monitored so that if needed, additional funding can be requested from the customer before costs in excess of the agreed upon amount are incurred. In addition, controls must be in place to ensure that amounts collected from reimbursable customers are credited to the NASA appropriation and program year used to pay for the work.

2.2.4.3 NASA will not provide services or incur costs beyond the available funding amount. Although a good faith effort to accurately estimate costs is expected, NASA provides no assurance to the customer that the proposed effort under the agreement will be accomplished for the estimated amount. Should the effort cost more than the estimate, the customer shall be advised by NASA as soon as possible. The reimbursable customer shall pay all costs incurred and have the option of canceling the remaining effort, or providing additional funding in order to continue the proposed effort under the revised estimate.

2.2.4.4 Direct funding sources shall not be used to finance work in connection with the reimbursable project in the absence of a signed agreement or distribution of reimbursable budget authority. Direct funding sources shall not be used to finance continuation of work by NASA because of insufficient reimbursable funding. Generally, use of direct funding sources shall be limited to the following:

a. Costs associated with negotiating the agreement, determining technical specification and scope of work, scheduling of resources, estimating costs, and other costs that are reasonable and normally associated with preparation for reimbursable work.

b. Waived incremental costs under the agreement, as documented on the EPR and approved by the Center CFO.

2.2.4.5 Should work under the agreement be terminated prior to completion, or the effort completed at a cost less than the agreed estimated cost, NASA shall account for any unobligated as well as any undisbursed funds within a reasonable period (as specified in the agreement) after completion of all work and promptly thereafter, return any unobligated advance funds to the customer. Regarding obligated but undisbursed funds, NASA has incurred binding obligations on behalf of the customer and should retain advance funds pending resolution of the obligations (either deobligation or payment to vendors).

2.3 Non-Reimbursable Agreements

2.3.1 When non-reimbursable agreements are executed, there will be no transfer of funds or other financial obligations between the parties under the agreement and each party will fund its own participation. All activities under or pursuant to the agreement are subject to the availability of funds, and no provision of a non-reimbursable agreement shall be interpreted to require obligation or payment of funds in violation of the AntiDeficiency Act, Title 31 U.S.C. § 1341.

2.4 Estimated Price Reports (EPRs)

2.4.1 All proposed reimbursable agreements forwarded to the Center CFO or Headquarters, Funds Control and Distribution Branch, for concurrence will be accompanied by an EPR showing the estimated cost by cost element. Reimbursable agreements that will be executed by more than one Headquarters office or NASA Center must include supporting schedules that identify the costs to be incurred by each NASA participant. All proposed price adjustments to reach market price, or other waived cost when market pricing is not applicable, must be identified in the Price Adjustment column on the EPR. The requirements for determining, approving, and documenting the market based level of reimbursement are identified in Chapter 4 of this NPR.

2.4.2 A sample of the EPR format is provided as Appendix C of this NPR. The items listed on the sample EPR represent the minimum information that must be documented on the EPR. Centers have the latitude to create worksheets that are reasonable facsimiles of the sample EPR. However, as stated above, the information in the sample EPR represents the minimum information expected. A facsimile worksheet constituting an EPR shall provide support for full costs of the project, clearly identify the components of the price to be charged to the customer, and account for any costs that are waived in order to arrive at the price to be charged.

2.4.3 If the price to be charged to the customer is greater than the full cost of performing the work, the EPR shall contain sufficient explanatory notes to make it clear that the price is greater than the cost. The amount collected that exceeds the full cost shall be deposited to Miscellaneous Receipts at Treasury.

2.5 Advances Received

2.5.1 When advances are received from non-Federal reimbursable customers they must be deposited promptly in accordance with the procedures in NPR 9635.1, Billing and Collection. Advances from Federal reimbursable customers should be requested via IPAC for deposit to the NASA appropriation being used to execute the work. Generally, cash advances would be received from non-Federal entities by the NASA Shared Service Center (NSSC) on behalf of Centers.

2.5.2 Advances Received by NASA. All advances received from reimbursable customers, both Federal and non-Federal, must be credited as Advances from Others to the NASA appropriation that is being used to execute the work and must reference the relevant reimbursable agreement, regardless of whether performance of the requested work is pending. If an advance is received, but a valid signed agreement has not yet been executed or if there is a delay in establishing accounting classifications representing the reimbursable agreement, advances from customers, the advance should credit the account established for Advances without Orders from Non-Federal Sources in accordance with guidance from the Agency Office of the CFO.

2.5.3 Advances Received by NASA Headquarters. Cash advances received at NASA Headquarters from non-Federal sources must also be deposited promptly in accordance with the procedures in NPR 9635.1, Billing and Collection. In addition, the Headquarters office receiving the advance must

contact the performing Center and obtain the identity of the appropriation that will be used to execute the work and deposit the advance to that appropriation.

2.6 Billing and Collection

2.6.1 Billing.

2.6.1.1 Billing Frequency. Generally, as costs are incurred, the NASA Shared Services Center (NSSC) shall bill reimbursable customers monthly. The monthly calculation and processing of a bill is required whether or not an advance has been received. In those cases where an advance has been received, the billing triggers a reduction of the balance in the "Advances from Others" General Ledger account in the amount of the bill.

2.6.1.2 Cost-Effectiveness of Interim Billings. Unless specifically called for in the agreement, a regular interim reimbursable billing could be deferred when the amount of a periodic billing would not be cost-effective to process and the Center expects that additional cost will be recorded.

2.6.1.2.1 Generally, there should be a basis for deferring a billing if the amount of the bill is less than the incremental cost of processing the bill and the related collection.

2.6.1.2.2 Agency collection procedures should provide for periodic comparisons of costs incurred and amounts collected in order to determine cost-effective dollar thresholds at which to process interim reimbursable billings.

2.6.1.2.3 Reimbursable costs that are considered final shall be billed when incurred notwithstanding a dollar threshold for cost-effective billing, as described above. A final bill shall include any unbilled balance brought forward from previous periods.

2.6.1.2.4 Reimbursable costs shall be billed when incurred if required by provisions in the reimbursable agreement or if work has been suspended and it is expected that additional billings will not be forthcoming on a recurring basis.

2.6.1.2.5 An amount that remains unbilled (because of an interim billing has been deferred) would be brought forward in the next billing cycle as a beginning unbilled balance.

2.6.1.2.6 NASA Centers, including project and resource staffs responsible for performance and financial status reporting to reimbursable customers, shall account for any reimbursable costs that have not yet been billed.

2.6.1.3 Each bill will show the agreement number and provide other information needed by customer and reflect the data requirements that were agreed to and included in the reimbursable agreement.

2.6.1.4 Collections for cost incurred will be immediately deposited to NASA appropriations. Charges for depreciation included in the customer billing or amounts billed in excess of full costs incurred by NASA must be deposited to the Treasury miscellaneous receipts account (Account 803220, General Fund Proprietary Receipts) when collected.

2.6.1.5 Headquarters Negotiated Reimbursable Agreements. In the case of reimbursable agreements negotiated by NASA Headquarters, the NASA Center performing the work is responsible for validating amounts of proposed billings of the customer as costs are incurred in collaboration with the NASA Shared Services Center (NSSC), which is responsible for the actual billing process. When more than one Center is assigned responsibility for portions of a Headquarters negotiated agreement each participating Center will be issued specific reimbursable authority. The Director for

Headquarters Operations will be responsible for tracking the financial status of the entire agreement. The Headquarters office that negotiated the agreement will provide the performing Centers copies of the agreement and any applicable supplemental data.

2.6.1.6 Billings should be regularly reviewed by persons knowledgeable in resource utilization of the project in order to ensure validity. Corrections or adjustments to reimbursable billings shall be accomplished in a timely manner. If possible, corrections shall be accomplished within the same accounting period as that in which discrepancies were identified. Corrections and adjustments shall be associated with the accounting periods in which the corrections were recorded.

2.6.1.7 Payment Methods. NASA Centers should make every effort to have customers submit all payments, including advances, electronically. NPR 9050.4, describes the various electronic payment methods that can be used by Federal and non-Federal customers.

2.6.2 Recording Collections.

2.6.2.1 Agreements with Advances. Where money has been collected in advance, the funds should be recorded as advances received from others. The advance account is liquidated as described above.

2.6.2.2 Agreements Without Advances. Where money has not been collected in advance, Centers should bill as described above or as specified in the agreement based on costs incurred. Each bill will identify the specific agreement number and be forwarded to the customer in accordance with the instructions contained in the agreement. For costs incurred at the Center level, collections must be credited to the NASA appropriation that was used to fund the reimbursable work. Amounts collected that represent depreciation charges must be deposited in the Treasury Miscellaneous Receipts Account.

2.7 Financial Reporting

2.7.1 The financial status of each reimbursable agreement must be available to the Project Manager, as well as the participating service pool managers, within 7 business days after the end of the month so that all needed information is available to support proper management of reimbursable agreements.

2.7.2 The Center CFO is responsible for trading partner reporting information on the status of revenue earned to Federal reimbursable customers on a monthly basis as required by OMB Memo M-07-03, Business Rules for Intragovernmental Transactions and Treasury Financial Manual, Volume 1, Bulletin 2007-03.

2.7.3 A preliminary final bill must be submitted to the reimbursable customer no later than 90 days after the agreement completion date or as specified in the agreement. The final bill must be submitted to the customer by the end of the month in which the final costs are recorded or as soon as possible thereafter. No obligation or cost accrual adjustments will be allowed against reimbursable orders after a final bill has been submitted. Any subsequent increases or reductions in total cost of the reimbursable project will be charged or credited to the associated direct program. When the price of a reimbursable agreement is based on cost rather than market rates, decreases in the cost of the customer funded portion of the reimbursable agreement must be refunded to the customer if the customer has paid for those costs. All increases or reductions processed after the final bill must be posted to the NASA program year account that was used to perform the rest of the work. As a result, every effort must be made to ensure that all costs or cost adjustments are recorded on a timely basis.

2.7.4 Application of Reimbursements Received.

2.7.4.1 Receipts from reimbursable work may be credited to NASA appropriations based on the principle that actual costs have increased, directly or indirectly to NASA as a result of the reimbursable work. Receipts from reimbursable work may only be credited to the fiscal year appropriation from which the cost of providing the service was paid. Otherwise receipts should be credited to "Miscellaneous Receipts" U.S. Treasury. The following must be considered in making this determination:

2.7.4.1.1 In cases where the NASA appropriation includes specific funding to support the reimbursable work, NASA cannot retain funds received from customers for this work.

2.7.4.1.2 NASA must be assured that funds received represent reasonable compensation for costs incurred. Any reimbursement received in excess of the actual full cost incurred must be returned to the customer. The only exceptions are agreements with non-Federal customers where NASA charges market price and the market price exceeds NASA's full cost. In those situations the amount received that exceeds full cost must be deposited to the Treasury Miscellaneous Receipts Account, unless specific legislation authority, such as the Enhanced Use Lease (EUL) Demonstration authority, permits retention by the Agency.

2.7.4.2 Appropriation Augmentation.

2.7.4.2.1 Except in the case of the EUL authority addressed in Chapter 5 of this NPR, reimbursements credited to NASA appropriations may not exceed the costs incurred in the performance of the associated reimbursable agreement. Depositing amounts in excess of costs incurred to NASA appropriations would represent an unauthorized augmentation of NASA's appropriations. Amounts collected that exceed costs incurred must be deposited as Miscellaneous Receipts.

2.7.4.2.2 NASA's reimbursable budget authority is approved by Congress incident to the Agency's request in the President's annual budget. This reimbursable authority is not the same as direct budget authority. Reimbursable budget authority is authority to enter into reimbursable agreements with other entities and accept funding from other entities as reimbursement for the cost of services rendered or goods provided. Reimbursable work involves the receipt of funds from sources other than NASA's direct appropriations and crediting them to NASA appropriations.

Chapter 3. Cost Estimating For Reimbursable Agreements

3.1 Introduction

3.1.1 This chapter covers the determination of reimbursable agreement costs. Initially all reimbursable agreements shall be developed on a full cost basis (Refer to NPR 9060.1, Cost). Chapter 4 of this NPR contains instructions for establishing the required level of reimbursement.

3.1.2 Before a reimbursable agreement for work is accepted, the full cost of reimbursable work must be calculated and documented on the Estimated Price Report (EPR).

3.2 Determining the Full Cost of Reimbursable Agreements

3.2.1 Identifying the cost of a reimbursable agreement requires the determination of the costs of the work, services, and facilities usage that are to be provided to the customer. It is NASA policy that, except for Corporate general and administrative overhead (G&A), standard rates based on experience of similar work will be used whenever possible and practical. The costing methods identified in Sections A and B below are listed in order of preference.

3.2.1.1 Standard Rates or Charges. A standard rate (\$/unit) or charge consistent with the consumption basis prescribed in NPR 9060.1, Cost, can be determined for some services or components of services that are required to complete a reimbursable agreement. For example, wind tunnel usage is charged based on a standard rate for each shift the wind tunnel is operated. Standard costing applies when there is recurrent demand for the same or similar goods or services and costs are uniform. This type of costing is determined in advance and can readily be applied to cost the related components of a customer's reimbursable agreement. For example, a standard rate could be used to apply wind tunnel use in order to estimate cost of the agreement.

3.2.1.2 Agreement Costing. When costs of requested services cannot be estimated using standard rate for the service being performed, Centers shall estimate costs by projecting resources to be consumed by the effort and costs of those resources. NASA Centers shall conduct an analysis to identify each cost element involved and how to assign that cost to the agreement.

3.2.1.3 Indirect Costs. Indirect costs shall be recognized as services are rendered and reimbursements earned. That should not, however, affect contractual arrangements or billing provisions in reimbursable agreements. In cases where amounts to cover indirect costs are collected but not yet earned, those amounts shall be recorded as advances to be applied as costs as services are rendered and revenue is earned.

3.2.2 Cost Assignment.

3.2.2.1 In developing a method for costing and assigning cost to reimbursable work, NASA shall use Generally Accepted Accounting Principles (GAAP). In accordance with Statement of Federal Financial Accounting Standards (SFFAS) No. 4, Managerial Cost Accounting Standards and Concepts, full cost of output is the total amount of resources used to produce the output. This includes direct and indirect costs that contribute to the output, regardless of funding sources.

3.2.2.2 The principles provide an order of preference framework for assigning costs:

- a. Directly trace costs wherever feasible and economically practicable.
- b. Assign costs on a cause-and-effect basis.
- c. Allocate costs on a reasonable and consistent basis.

3.2.2.3 When reimbursable projects use the same types of good or services as direct funded projects, the reimbursable projects will be costed using the same rates and basis of consumption as the direct funded projects.

3.2.2.4 Actual cost for reimbursable work projects shall be assigned as prescribed in NPR 9060.1, Cost.

3.2.2.5 Recognizing that the computation of full cost cannot always be exact, NASA will strive to achieve a high degree of precision in costing reimbursable work. The following restatement of a Comptroller General decision was taken from the Government Accountability Office's (GAO's) "Principles of Appropriations Law" Second Edition, Volume IV, pages 15-40 and 15-41: "While at times actual cost can be computed with precision, the Economy Act does not require that the determination be an exact science. Cases on reimbursable work even before the Economy Act recognized the acceptability of a reasonable and appropriate methodology over "absolutely accurate ascertainment" which might entail considerable burden and expense, 3 Comp. Gen. 974 (1924). As stated in B-133913, January 21, 1958, "[a]s long as the amount agreed upon results from a bona fide attempt to determine the actual cost and, in fact, reasonably approximates the actual cost," the Economy Act is satisfied.

3.2.2.6 Recognition of Earned Reimbursements. In accordance with Statement of Federal Financial Accounting Standards (SFFAS) No. 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, "earned" or "exchange" revenues are earned when a Government entity provides goods and services to the public or to another Government entity for a price. In practice, that would correspond to costs incurred by NASA in performance of work associated with a reimbursable agreement.

3.3 Types of Cost

3.3.1 In addition to the criteria in the Section "Cost Assignment" above, the following is the policy on handling the assignment of certain NASA cost elements to reimbursable work projects.

3.3.2 Direct Costs. Costs such as salaries and benefits, travel, contracts, materials, supplies, and equipment that are specifically identified with the reimbursable project are examples of direct costs. These items should be individually identified and shall be applied directly to the reimbursable project. These are costs that can be directly traced to the reimbursable work. Direct costs include service pool labor and materials that are directly charged to a reimbursable agreement.

3.3.3 Directly Associated Cost. Costs with a cause-and-effect relationship to the goods or services provided but that cannot be immediately charged to the reimbursable project are termed directly associated costs. An example is the cost of printing services for the reimbursable project that are procured on a Center-wide contract and subsequently charged to the reimbursable project.

3.3.3.1 Service Pool Indirect Costs. Service pool indirect costs are costs that cannot be specifically and immediately assigned to a reimbursable project, but can be subsequently traced or linked to a reimbursable project and assigned based on usage or consumption. The costs addressed here do not include the labor of service pool personnel that is direct charged to a program, project, or reimbursable agreement. Likewise, material costs incurred by a service pool that are directly charged to a program, project, or reimbursable agreement are not included under this heading.

3.3.4 Prompt payment Interest. Per guidance in the memorandum from the Administrator, Office of Federal Procurement Policy (OFPP-OMB), "Improving the Management and Use of Interagency Acquisitions," June 2008, the customer shall be responsible for interest owed under the Prompt Payment Act except that the Servicing Agency (i.e., NASA) shall be responsible for interest owed to the contractor due to delays created by actions of NASA. Consequently, if the delay resulting in Prompt Pay interest is the fault of NASA, the interest should be absorbed by a NASA direct funding source and not billed to the reimbursable customer.

3.3.5 Other Chargeable Indirect Cost. These are costs that are significantly related to performance of the reimbursable agreement and can be allocated on a reasonable and consistent basis. Center Management and Operations costs are an example of other chargeable indirect cost.

3.3.5.1 Center Management and Operation (CM&O). CM&O is a cost pool for Center support costs including the Center director and his/her immediate staff, Center management, Center operations, systems management, facilities services, and information technology support. CM&O is comprised of the costs for civil service personnel and travel, support service contracts, supplies, equipment, and other goods and services necessary to manage and operate the Center. CM&O shall be applied to reimbursable agreements as services are performed and reimbursements earned. Annually the Agency Office of the Chief Financial Officer (OCFO) will establish the individual CM&O rates to be used by each Center to develop the full cost of reimbursable agreements.

3.3.5.2 Contract Administration and Audit Services (CAAS). When the contract costs associated with a reimbursable agreement exceed \$1 million and require NASA procurement services, including contracts and grants, the full cost must include the cost of CAAS support.

3.3.5.2.1 As needed, the Agency OCFO will update a standard CAAS rate that will be used to develop the full cost of reimbursable agreements. The CAAS rate in effect at the time the agreement is signed will be used to determine the applicable CAAS cost. The CAAS cost is calculated by multiplying the planned contract cost by the established rate.

3.3.5.2.2 The CAAS charge is to be considered as an incremental expense to the Agency and is non-refundable. CAAS charges are applicable to pass-thru contract actions if the contract requires CAAS services and the other party's share of the total contract exceeds \$1 million.

3.3.5.2.3 CAAS charges must be included in the full cost of the agreement. An estimate of CAAS charges should be included on the appropriate line on the Estimate Price Report (EPR).

3.3.5.2.4 CAAS charges shall be applied to reimbursable agreements as services are performed and reimbursements earned.

3.3.5.3 Corporate G&A. Corporate G&A is not applicable to reimbursable agreements and is not charged to reimbursable customers (except in circumstances involving reimbursable agreements with Headquarters or Jet Propulsion Laboratory (JPL) as discussed below).

3.3.5.4 Administrative Fee for Headquarters and Jet Propulsion Laboratory (JPL) Reimbursable Agreements. An administrative fee shall be included in the cost of all reimbursable agreements that will be executed by Headquarters or JPL. This administrative fee is required so that NASA may recoup the added cost associated with the financial management of the reimbursable agreements. The Agency OCFO (or delegated to Headquarters Director, Office of Budget Management and System Support) will determine whether to prescribe a rate specifically for that purpose or to use the Corporate G&A rate for determining the administrative fee. Unless a rate is issued specifically for Headquarters and JPL reimbursable agreements, the administrative fee shall be determined on the basis of the Corporate G&A rate issued by Agency OCFO. The rate to be used for determining administrative fees on Headquarters or JPL agreements will be recalculated and issued by Agency

OCFO or Headquarters Director, Office of Budget Management and System Support, as needed.

Chapter 4. Pricing Reimbursable Agreements

4.1 Pricing Reimbursable Space Act Agreements

4.1.1 Space Act Reimbursable Agreement Pricing Policy.

4.1.1.1 Market Rate Pricing. In order to avoid putting commercial providers of similar services at a competitive disadvantage, NASA may adjust its cost recovery to account for market prices. The NASA pricing policy for Space Act Reimbursable Agreements when the types of services to be provided are available from non-NASA sources is to charge market rates. When market rates apply to a reimbursable agreement, those rates must be based on a market survey. Notwithstanding a market based price, the price should recover at least the incremental costs of doing the work. However, market based pricing does not apply where the pricing requirements for specific services or facilities are otherwise established by law or regulation or where the services to be performed by NASA can be demonstrated to be unique such that market rates from non-NASA providers can not be determined. The section "Special Pricing Provisions Applicable to Specific Agreements" contains the special pricing provisions applicable to certain types of NASA services and facilities.

4.1.1.2 Cost Based Pricing. In the event there is no market source for the specific or similar services that the Center proposes to provide under a reimbursable agreement, the Center Chief Financial Officer (CFO) is not required to perform a market survey. The Center CFO shall establish a price, based on the best information available, that is consistent with the cost NASA will incur and to consider the benefit NASA will receive when the work is performed. Unless some costs are waived and funded by either a direct funded NASA program or the Center Management and Operation (CM&O pool), the price charged the customer should equal the full cost as determined in accordance with Chapter 3 of this NPR and identified on the Estimated Price Report (EPR). The process used and the factors considered in the development of such prices must be consistently applied and fully documented. This documentation must be maintained for at least three years.

4.1.1.3 Limits on Competition with U.S. Commercial Sources. Legal or policy considerations can affect the circumstances in which the Agency can make specific types of facilities or services available if commercial services are otherwise available. For example, the Commercial Space Competitiveness Act (15 U.S.C. § 5807) states the Federal Government, including NASA, may allow non-Federal entities to use space-related facilities on a reimbursable basis if equivalent commercial services are not available on reasonable terms. For these facilities and services, the customer requesting that NASA undertake reimbursable activities bears the burden of establishing that they cannot obtain equivalent goods or services from the private sector. Centers with questions concerning the offering of specific services that are also available from a U.S. commercial source should contact their Center Chief Counsel.

4.1.2 Procedures for Establishing "Market Rates".

4.1.2.1 Market Survey. Center CFOs will ensure that a comparable pricing survey is conducted of providers of similar services that the Center wishes to offer through reimbursable Space Act agreements. These surveys are performed annually or as reasonable and necessary, depending upon the degree of external market price stability for the services being offered. If the Center performs its market price surveys on a basis that is less frequent than annually, the Center CFO must document the rationale for the Center's market survey schedule. Since the responsible technical managers have established working relationships with other providers, it is expected that these managers will conduct the surveys and provide the results to the Center CFOs. Such a survey will include a

representative sample of providers, and be conducted in a thorough manner, so that an analysis of the results will provide reasonable assurance that a comparable pricing structure can be determined for the current year for that Center. The process, analyses, and results of market surveys will be documented and available for review.

4.1.2.1.1 A representative sample of service providers will be surveyed through interviews, reviewing their published rates, or by appropriate alternative methods (e.g., knowledgeable industry representatives or associations). The information obtained during the surveys will be documented, labeled proprietary information, and access will be restricted. The documentation will include:

- a. Name of the service provider;
- b. Date the information was received; and
- c. Pricing information obtained.

4.1.2.1.2 The Center CFO will ensure that the results of the survey are consolidated, evaluated, and analyzed, with the objective of reaching a pricing structure for the Center that is:

- a. Supported by the survey results;
- b. Comparable to prices that customers could expect to find at other providers, given any discount or premium that is needed to compensate for bona-fide differences; and
- c. Rational, fair, and consistently applied.

4.1.2.1.3 The Center CFO will ensure that the survey results, evaluation, analysis, and judgments are appropriately documented and retained for review in accordance with NASA document retention policies.

4.1.2.2 Interim Pricing Adjustments Between Market Surveys. During the year between the market surveys, new pricing-related information may be discovered that the Center CFO should review, analyze, and evaluate for justifying possible interim adjustments to the Center's pricing structure. These adjustments should be kept to an absolute minimum in order to maintain pricing consistency and fairness to customers. In addition, pricing changes should not be influenced by "negotiations" with individual customers. The pricing strategy is market-based, not negotiated customer by customer. Nevertheless, in those rare cases when an interim adjustment to the Center pricing structure is necessary, it should be well documented and the supporting evidence maintained for three years.

4.1.3 Market Adjustments on Estimated Price Reports (EPR). The adjustments needed to reconcile the market price to the full cost will be identified in a separate column of the EPR. The total adjustment for the agreement should be distributed to the individual lines on the EPR based on the information available at the Center.

4.1.4 Treatment of Differences between Cost and Price.

4.1.4.1 Incremental Costs Not Covered by the Price. If the market based price is below the incremental cost that the Center will incur to perform the work, the CFO must obtain alternative direct program funding and/or CM&O funding. If incremental project costs are funded by NASA direct funds, the project shall be confirmed as consistent with the period of availability, intended purpose, and amount restrictions of the direct program funding in accordance with 31 U.S.C. §1301(a), 31 U.S.C. §1502(a), 31 U.S.C. §1341(a), and 31 U.S.C. §1517(a). If there are actual unreimbursed incremental costs that are not reflected on the EPR or if the alternative source of funding is different from that shown on the EPR, an approval should be obtained from the Center CFO (similar to the approval obtained for waived incremental costs on the EPR).

4.1.4.2 Sequence of Cost Waivers. If the market price is below the full cost of the project, pricing to recover indirect costs (i.e., CM&O) shall be waived until market price is reached. Incremental costs shall not be waived before all indirect costs are waived.

4.1.4.3 Market Based Price Exceeds Full Cost. If the market based price is above full cost, Centers must deposit the amount collected that exceeds full cost into the Miscellaneous Receipts Account at Treasury.

4.1.4.4 Full Cost Reporting to Federal Agency Customers. If the reimbursable agreement requires reporting of NASA's full costs to a Federal agency customer in compliance with Statement of Federal Financial Accounting Standards (SFFAS) No. 30: Inter-Entity Cost Implementation: Amending SFFAS 4, Managerial Cost Accounting Standards and Concepts, any unreimbursed cost shall be accounted for and reported as required in the agreement. That would apply in limited circumstances as described in Chapter 2 of this NPR.

4.1.5 Special Pricing Provisions Applicable to Specific Agreements. Reimbursable work for certain types of services or facilities are governed by statutes and regulations other than the Space Act and NASA must follow the pricing and/or non-competition requirements of those authorities rather than NASA's general Space Act authority. Market based pricing only applies to the extent it is consistent with these other requirements. For example:

4.1.5.1 Wind Tunnel Fees.

4.1.5.1.1 The reimbursement required for Space Act agreements using wind tunnels operated by NASA will be based on the applicable pricing method in accordance with section describing Procedures for Establishing "Market Rates." This includes:

a. Projects. National Aeronautical Facilities Projects. The national aeronautical facilities include the National Transonic Facility (NTF) at Langley Research Center and the National Full-Scale Aerodynamic Complex, consisting of the 40 by 80 foot and the 80 by 120 foot wind tunnels and related support facilities at Ames Research Center. NASA operates these facilities for NASA, industry, the Department of Defense, and other Government agency projects.

b. All Other Wind Tunnels. All other NASA wind tunnels will be used primarily for NASA research. However, all of these wind tunnels may be used for industry work when it is in the public interest either in joint programs with NASA or on a fee basis.

4.1.5.2 Space Shuttle Payloads (14 CFR § 1214).

4.1.5.2.1 Standard Services. NASA may charge uniform prices for shuttle payloads, and escalate them annually unless updated.

4.1.5.2.2 Pricing Optional Services. To the extent practical, optional services will be provided on a fixed-price or fixed-rate basis. If this is not practical, the price will be on a governmental cost basis; i.e., the actual cost or in certain cases the estimated actual costs. They shall be escalated annually unless updated.

4.1.5.3 Tracking and Data Relay Satellite System (TDRSS) (14 CFR § 1215). This regulation covers considerations to be used in pricing TDRSS charges such as:

a. Annual determination of User Charges and Service Rates (14 CFR § 1215.113 and 114).

b. Payment and billing including administrative charges (14 CFR § 1215.115).

c. Estimated Service Rates and Escalation for Commercial Space Launch Act (CSLA) customers and

others (14 CFR § 1215.115 Appendix A).

d. Other multiplication factors for service rates (14 CFR § 1215.115).

4.1.5.4 Commercial Space Activity. This section covers the use of NASA facilities for Commercial Space Activities (see 15 U.S.C. § 5802 for the definition of such activities) using NASA facilities. Space Launch Activities (49 U.S.C. § 701) is the primary activity of concern, though this section could apply to any Commercial Space Activities.

4.1.5.4.1 In accordance with 15 U.S.C. § 5807, NASA may allow non-Federal entities to use NASA space related facilities on a reimbursable basis if the Associate Administrator of the Space Operations Mission Directorate (NPD 1000.3 paragraph 4.3.2.3 and 4.3.2.9) determines that all of the following conditions are met:

- a. The facilities will be used to support commercial space activities.
- b. Such use can be supported by existing or planned Federal resources.
- c. Such use is compatible with Federal activities.
- d. Equivalent commercial services are not available on reasonable terms.
- e. Such use is consistent with public safety, national security, and international treaty obligations.

4.1.5.4.2 Basis of Reimbursement 15 U.S.C. § 5807 (b) (1) states: "The reimbursement referred to in subsection (a) [of 15 U.S.C. § 5807] of this section may be an amount equal to the direct costs (including salaries of United States civilian and contractor personnel) incurred by the United States as a result of the use of such facilities by the private sector. For the purposes of this paragraph, the term "direct costs" means the actual costs that can be unambiguously associated with such use, and would not be borne by the United States Government in the absence of such use" (i.e., incremental cost). Pricing of agreements covered by 15 U.S.C. § 5807 shall observe the following:

- a. The cost of commercial space activity support is to be calculated based on direct (i.e., incremental) cost.
- b. Since NASA may charge only direct costs for these services, Center Management and Operations (CM&O) and Corporate general and administrative (G&A) along with any other indirect costs will not be included in the price charged the customer. However, these indirect costs must be identified on the EPR as both components of full cost and adjustments to arrive at the amount the customer is required reimburse NASA. The requirements of Chapter 4 of this NPR apply to all adjustments from full cost, including adjustments required to comply with the provisions of 15 U.S.C. § 5807.

4.1.5.4.3 The amount of any reimbursement received by the NASA for commercial Space Activities support under this subsection shall be credited to the appropriation from which the cost of providing such support was paid.

4.1.5.5 Host-Tenant Agreements. Host tenant agreements represent a separate category of reimbursable agreement that may or may not be executed as Space Act Agreements. The pricing methodology used must be based on the authority under which the agreement is executed. As with all reimbursable agreements the Center Chief Counsel must review the agreement before it is signed.

4.1.5.5.1 Space Act Agreements. When host tenant agreements are executed under the authority of the Space Act the price charged the customer will be set as follows:

- a. NASA Owned Facility. In those cases where the host-tenant agreement is established as a Space Act agreement the price will be calculated based on the applicable pricing method in Section 4.1.2

describing Procedures for Establishing "Market Rates" in this NPR.

b. Customer Owned or Constructed Facility. When one or more Federal Agencies has ownership of buildings or facilities, or has constructed the facility and turned it over to NASA, on a NASA Center and those facilities represent a substantial portion of the facilities on the Center, the Center may enter into a Cooperative agreement with the tenant(s) under which all facilities operating costs and associated indirect costs are shared equitably. The Centers are not required to use the EPR format to develop the full cost of the agreement as long as the reimbursement Center receives is equal to the actual costs the Center incurs to support the tenant. As with all other reimbursable agreements, the Centers must maintain documentation that supports computation of the reimbursement the tenant is required to provide.

4.1.5.5.2 Economy Act Agreement with a Federal Customer. When host tenant agreements are executed as Economy Act Orders the customer Agency will be charged the actual cost.

4.2 Non-Space Act Reimbursable Work for Other Federal Agencies

4.2.1 The Economy Act. While the Space Act provides specific authority to NASA to engage in reimbursable and cooperative agreements with various parties including other Federal agencies, the Economy Act (31 U.S.C. § 1535) provides authority for all Federal Agencies to engage in interagency reimbursable activity within certain constraints. If the reimbursable agreement cites the Economy Act as authority to execute the reimbursable work, market based pricing does not apply. The reimbursable customer shall be billed based on the full cost of the reimbursable project. Neither incremental direct nor indirect costs shall be waived in the case of an Economy Act reimbursable agreement unless it can be demonstrated that a NASA program benefits directly from the work in accordance with 31 U.S.C. §1301(a) in which case the NASA program would share a portion of the costs.

4.2.2 Actual Cost. The Economy Act requires all work be priced and charged to the ordering agency on an "actual cost basis," (i.e., based on actual costs that have been incurred by the performing agency). The Economy Act prohibits an agency from deriving profit, augmenting its appropriations, or using another agency's funds for purposes other than which the funds were originally appropriated. Actual cost means the direct cost of providing the work, plus indirect costs significantly related to providing the work.

4.2.3 Per the Office of Budget and Management (OMB) Circular No. A-11, Preparation, Submission, and Execution of the Budget, transactions authorized by the Economy Act are limited by the statutory requirement that the amount obligated by the ordering appropriation is required to be deobligated to the extent that the agency or unit filling the order has not incurred obligations before the end of the period of availability of the ordering appropriation. Funds should no longer be available to incur new obligations by NASA after the appropriation from the ordering agency has expired. Consequently, NASA should resolve all billing and costing issues with Federal reimbursable customer as much as possible prior to the expiration of funds of the ordering agency.

4.2.4 Because the ordering agency is responsible for deobligating balances not yet obligated by NASA at the end of the period of availability of the ordering appropriation with Economy Act agreements, upward adjustments to costs determined after the period of availability of the ordering appropriation should be funded by NASA direct (i.e., non-reimbursable) funds rather than billed to the reimbursable customer agency unless the reimbursable customer agency agrees to provide additional funding.

4.3 Charges for Rental Quarters and Related Facilities

4.3.1 This section provides additional policies, responsibilities and requirements NASA must follow when setting and administering rental rates for rental quarters and charges for related facilities.

4.3.2 Legislative and Regulatory Authority. The references below provide the authority and policy governing Agencies charges for rental quarters and related facilities.

4.3.2.1 5 U.S.C. § 5911, Quarters and Facilities; Employees on the United States.

4.3.2.2 OMB Circular No. A-45, Rental and Construction of Government Quarters, Revised, dated October 20, 1993.

4.3.3 Explanations of Terms.

4.3.3.1 Rental quarters include all housing supplied under specific Government direction as an incidental service in support of Government programs. "Public Quarters" designated for occupancy by members of the uniformed services with loss of allowances, and sleeping facilities furnished on a temporary basis are excluded. Otherwise all quarters owned by or leased to the Government are included whether occupied by Government employees, contractors, contractors' employees, or any other person to whom housing is provided as incidental to the performance of a Government activity. Housekeeping and non-housekeeping units, including trailers but not tents, furnished, and unfurnished are included.

4.3.3.2 Related facilities include, but are not limited to utilities, services, furniture, and appliances.

4.3.4 Roles and Responsibilities.

4.3.4.1 Installation Director. The Installation Director, who has custody over quarters, as well as, the authority to rent the quarters will:

- a. Monitor the use of rental quarters.
- b. Annually determine whether an adjustment to the basic rental rate is required based on changes in the Consumer Price Index (CPI). Determine specifically when periodic reviews are necessary so that qualified appraisers may be obtained as required.
- c. Annually advise the Associate Administrator for Institutions and Management of the need to adjust basic rental rates based on changes in the CPI. Advise the Associate Deputy Administrator for Institutions and Management of the need to conduct a periodic review and of the recommended time schedule for the timely completion of the review. Request that the services of appraisers be provided.
- d. Conduct the review using qualified appraisers.

4.3.4.2 Assistant Administrator for Infrastructure and Administration. The Assistant Administrator for Infrastructure and Administration, will:

- a. Keep the CFO and the Associate Deputy Administrator for Institutions and Management advised of all significant events concerning the use of and charges for NASA rental quarters.
- b. Designate person(s) to receive appeals and ensure that necessary administrative reviews and approvals are made in accordance with the provisions of OMB Circular No. A-45.
- c. Establish by amending the lease or rental agreement the general rates and charges authorized by the Associate Administrator for Institutions and Management on the effective date and ensure they

are collected.

d. Authorize specific adjustments to general rents.

4.3.4.3 Associate Administrator for Institutions and Management. The Associate Administrator for Institutions and Management will:

- a. Provide qualified appraisers to Installation Directors to perform the necessary reviews. Where practicable, appraisers of the Federal Housing Administration, the Army Corps of Engineers, the Naval Facilities Engineering Command, or the General Services Administration will be used.
- b. Make the final evaluation of the annual adjustment required based on changes in the CPI and the periodic reviews. Approve the general rates and charges to be established.
- c. Review and decide on appeal actions and adjustments, as necessary.

4.3.5 Determining Rental Rates.

4.3.5.1 Rental rates for quarters and charges for related facilities will be based upon reasonable value in the circumstances under which they are provided, occupied, or made available. The amount of rental rates shall not be set so as to provide an inducement in the recruitment or retention of employees or as an inducement to encourage the occupancy of existing Government housing. The detailed procedures for determining rental rates are contained in OMB Circular No. A-45, Rental and Construction of Government Quarters.

Chapter 5. Enhanced Use Leases (EUL) of Real Property

5.1 General

5.1.1 This section of the Space Act (42 U.S.C. § 2459j) gives the Administrator authority to lease NASA real property to other Federal Agencies and non-Federal entities, to lease property at fair market value, to use the amounts collected to cover the full costs to NASA in connection with the lease, and to use the net proceeds of the lease for other purposes.

5.1.2 Under authority initially enacted, the statute applies to any real property under the jurisdiction of the Administrator at no more than two NASA Centers. The Ames Research Center and Kennedy Space Center have been NASA's EUL demonstration sites. Amounts received under that authority in excess of costs associated with the lease shall be available for maintenance, capital revitalization, and improvements of the real property assets of the Centers selected for this demonstration program, and shall remain available until expended.

5.1.3 EUL authority was modified by Public Law 110-161 and becomes effective on December 31, 2008. The revised statute applies to any non-excess real property and related personal property (i.e., collateral equipment) under the jurisdiction of the Administrator and extends the EUL authority to all NASA Centers.

5.1.4 Sunset. Authority to enter into EUL leases shall expire on December 26, 2017. The expiration of EUL authority to enter into leases shall not affect the validity or terms of leases or NASA's retention of proceeds from leases entered into under EUL authority before the date of the expiration of such authority.

5.2 Pricing of Lease Agreements

5.2.1 Lease agreements shall not be for less than the fair market value of the property plus expected incremental billable costs as described in Section 5.5. Lease agreements entered into prior to December 31, 2008, with customers from other Federal agencies shall be based on the full costs of leases as described in Section 5.5.

5.2.2 Fair market values of lease agreements should be supportable and shall be established using market surveys as discussed in Chapter 4 of this NPR or utilizing appraisal services. A recent market survey or appraisal for a different EUL agreement could be referenced if the properties are comparable.

5.2.3 Since lease agreements can be in excess of full costs of leases as described in the Section 5.5 in this Chapter, collections associated with EUL leases can result in net proceeds. Net proceeds of EUL leases are discussed in the Section 5.6.

5.3 Recording of EUL Lease Agreements

5.3.1 Lease agreements under EUL authority shall be established in the Agency accounting system as agreements under a no year account as directed by the Office of the Chief Financial Officer (OCFO).

5.3.2 Each year, Centers shall prepare estimates of reimbursements under this authority and shall submit estimates to OCFO in the same manner as other anticipated reimbursements for the purpose of preparing an apportionment request to the Office of Management and Budget (OMB). The estimated reimbursements for a lease should represent only the portion of that lease that is expected to be earned in the coming year plus an estimate of incremental billable charges in addition to contractual lease payments (i.e., demand services) in the coming year. Estimates for reimbursements under this authority shall be distinguished from other anticipated reimbursements. Budgetary resources derived from EUL authority shall include the unobligated balance brought forward into the new fiscal year (i.e., carryover).

5.3.3 Lease agreements under EUL authority shall be managed in accordance with a program/management structure developed by the Facilities Engineering and Real Property Division at Headquarters (HQ) in coordination with OCFO and affected Centers. In addition, the capital assets account under EUL authority shall be managed in accordance with a program/management structure developed by the HQ/Facilities Engineering and Real Property Division in coordination with OCFO and affected Centers.

5.3.4 An Estimated Price Report (EPR) for the agreement shall be prepared in accordance with the format provided in the appendix of this NPR. The full cost of the agreement on the EPR shall include cost components as described in the Section 5.5. The full cost should include a regular recurring facilities charge based on property size and type and comply with Section 5.5.1. That facilities charge should be represented on the Center Management and Operations (CM&O) line on the EPR. If the Center calculates a lease management and administration charge as part of the full cost of the lease as described in Section 5.5.2, that charge shall be included in the amount entered on the CM&O line on the EPR. The EPR shall also include an estimate for incremental billable charges (e.g., demand services) associated with the lease that would be in addition to the regular recurring facilities charge. An estimate for the incremental billable charges should be represented on the line for Other Direct Costs on the EPR. The EPR prepared for an EUL lease agreement shall include the Price Charged Customer based on the fair market value of the lease as addressed in Section 5.2.1. The price adjustment column on the EPR does not need to be completed.

5.3.5 Revenue derived from a lease, including in kind consideration, shall be recognized and recorded in the Agency accounting system in the period in which lease payments become due.

5.4 Consideration

5.4.1 A person or entity entering into a lease under this section shall provide consideration for the lease at not less than fair market value.

5.4.2 All consideration received by NASA in connection with the lease, including in kind consideration, shall be applied to lease amounts due. Lease revenue shall be recognized when lease payments become due. Consideration, including in kind consideration, shall be applied to amounts due NASA and be associated with each lease agreement. Consideration may take one or a combination of the following forms:

5.4.2.1 Payment of Cash.

5.4.2.2 In Kind Consideration. NASA (i.e., at the two EUL demonstration Centers, Ames Research Center and Kennedy Space Center) is authorized to accept in kind consideration in lieu of cash for rent with leases entered into prior to December 31, 2008.

5.4.2.2.1 In kind consideration shall reflect expenses for property repairs, upgrades, and/or capital improvements that extend the useful life of NASA properties and where the lessee assumed

responsibility for the charges. In kind consideration shall be included in the draft lease submitted to HQ/Facilities Engineering and Real Property Division for review and approval.

5.4.2.2.2 All in kind consideration is to be spelled out in the draft and final versions of the lease. Any changes to an existing lease that include new projects as in kind consideration shall be submitted to HQ/Facilities Engineering and Real Property Division for approval.

5.4.2.2.3 Contributed materials, supplies, facilities, and property, if significant in amount, should be recorded at their fair value, and provided the entity has a clearly measurable and objective basis for determining the value. If the values of contributed materials, supplies, facilities, and property cannot reasonably be determined, they should not be recorded as in kind consideration.

5.4.2.2.4 Unless the amount involves a legitimate capital improvement to the property for the benefit of NASA and unless it is approved in advance by both the Center and HQ/Facilities Engineering and Real Property Division, the amount should not be recognized as consideration in lieu of cash for the lease payment. In kind consideration received by NASA may take one or a combination of the following forms:

- a. Maintenance, construction, modification or improvement of facilities on real property under the jurisdiction of the Administrator.
- b. Provision of services to NASA, including launch services and payload processing services.
- c. Use by NASA of facilities not under the jurisdiction of the Administrator.

5.4.3 Amounts reflecting consideration shall be recorded in a no year account as directed by the OCFO. Consideration received for the lease amounts due shall be recognized as revenue. Cash consideration realized in excess of lease amounts due shall be recorded as advances to be applied to future lease payments. In kind consideration received in excess of lease payments due from the lessee shall be applied to future lease payments and shall be distinguished from cash advances.

5.4.4 Upon termination of the lease and after all relevant charges have been settled with the lessee, any outstanding cash advance balances shall be returned to the lessee.

5.5 Full Cost of Leases

5.5.1 The Administrator may utilize amounts of cash consideration received under this section for a lease entered into under this section to cover the full costs to NASA in connection with the lease. These funds shall remain available until expended. Because the funds collected under this authority to cover the full costs of leases shall remain available until expended, the amounts collected to cover lease costs shall be tracked separately in a no year account. The full cost of leases under this authority shall consist of the following in accordance with provisions of EUL lease agreements.

5.5.2 A Center entering into an EUL lease agreement shall prepare an estimate of the cost to the Center per unit of space (i.e., cost per square foot) of the property or other similar measure based on an objective and systematic analysis of the type of property being used (i.e., office space, undeveloped land, etc.). That cost should reflect indirect costs, general use of facilities services (i.e., shared charge for security services, procurement activities), and building maintenance (including both routine and major building repairs) of comparable properties at the Center. A charge shall be calculated based on the utilization of space by the lease times the cost per unit of space as described above and shall be included as part of the regular recurring lease payment by the lessee. Proceeds derived from this charge shall be available to fund expenses at the Center which constitute the basis for that charge.

5.5.3 Lease Management and Administration. The Center may determine whether to separately calculate a rate for lease management and administration. The lease management and administration charge may include, but not be limited to personnel and other expenses incurred by the Center for administrative, legal, and other services for EUL support activities (i.e., contract support, contract management, financial management). The lease management and administration charge should be represented as a recurring charge and part of the full cost of the lease. It should be based on a rate determined in a manner similar to the recurring facilities charge as described in Section 5.5.1. The charge shall be included as part of the regular recurring lease payment by the lessee. If the Center determines not to separately calculate a lease management and administration charge, such support costs should be included as part of the recurring facilities charge described in Section 5.5.1.

5.5.4 Costs for Site Preparation Specific to the Leased Property. These costs may include, but are not limited to, basic upgrades so that a property can be considered viable for leasing and building modifications or customizations in order to accommodate EUL leases. Site preparation costs shall not include routine building maintenance or building repairs. If the lessee is a non-Federal entity, NASA should receive an advance to cover that work or the work should be sufficiently general in nature that it could be covered appropriately by the Center's CM&O functions. The charge shall be billed in addition to regular recurring lease payments and shall be based on reimbursement to NASA of direct costs incurred by NASA for providing the service.

5.5.5 Costs for demand services representing services provided by the Center based on usage or requests by the lessee for incremental services not normally covered by the charge for general use of facilities and building maintenance as described in Section 5.5.1. Examples include charges for utilities or work orders for upgrades or installations not normally covered by routine building maintenance. The charge shall be billed in addition to regular recurring lease payments and shall be based on reimbursement of direct costs incurred by NASA for providing the demand services.

5.5.6 Other Incremental Costs Traceable to the Lease. Examples can include extraordinary administrative, legal costs, or other costs not normally included as part of routine facilities maintenance or otherwise described above. The charge shall be billed in addition to regular recurring lease payments and shall be based on reimbursement of direct costs incurred by NASA for providing the services. Costs not otherwise described above shall be approved by the HQ/Facilities Engineering and Real Property Division in coordination with OCFO before being recognized as part of the full cost of a lease.

5.6 Net Lease Proceeds

5.6.1 Amounts of cash consideration collected in excess of full cost of leases in accordance with Section 5.5 shall be deposited into capital asset accounts to be established by the Administrator.

5.6.2 Net lease proceeds derived from leases entered into on December 31, 2008, and later or which are earned after December 2008 shall contribute to capital asset accounts as described below. Amounts may not be utilized for daily operating costs and shall remain available until expended.

5.6.2.1 Thirty-five (35) percent shall be deposited in a capital asset account to be established by the Administrator, shall be available for maintenance, capital revitalization, and improvements of the real property assets and related personal property under the jurisdiction of the Administrator, and shall remain available until expended. That capital account shall be managed by HQ/Facilities Engineering and Real Property Division on behalf of the Agency.

5.6.2.2 The remaining 65 percent shall be available to the respective center or facility of the Administration engaged in the lease of nonexcess real property, and shall remain available until expended for maintenance, capital revitalization, and improvements of the real property assets and

related personal property at the respective center or facility subject to the concurrence of the Administrator. Projects funded by the account shall be coordinated with the HQ/Facilities Engineering and Real Property Division on behalf of the Agency.

5.6.3 Net lease proceeds derived from leases entered into prior to December 31, 2008, and which are earned not later than December 2008 are available to contribute to capital asset accounts available for maintenance, capital revitalization, and improvements of the real property assets of the NASA Centers participating in the EUL demonstration program (i.e., Ames Research Center and Kennedy Space Center) and shall remain available until expended. Contributions of net proceeds to the account that is available to be used for maintenance or daily operating costs shall require prior approval by the HQ/Facilities Engineering and Real Property Division.

5.7 Capital Asset Accounts.

5.7.1 Amounts deposited into the capital asset account shall be net proceeds on an accrual basis (i.e., revenue recognized in accordance with Section 5.4.3) or cash proceeds, whichever is less. Amounts shall be credited to the capital asset accounts described in Section 5.6 at least annually.

5.7.2 Consideration received from lessees in excess of lease amounts due (i.e., for regular lease payments in accordance with the lease agreement plus incremental billable costs as described in Section 5.5) shall be applied against future lease billings to the lessee, but not recognized as revenue associated with the lease or be available to contribute to capital asset account(s) described in Section 5.6.

5.7.3 The capital asset accounts shall be maintained by NASA in a no year fund.

5.8 Additional Terms and Conditions

5.8.1 The Administrator may require such terms and conditions in connection with a lease under this section as the Administrator considers appropriate to protect the interests of the United States.

5.8.2 Relationship To Other Lease Authority. The authority under this section to lease property of NASA is in addition to any other authority to lease property of NASA under law.

5.8.3 Lease Restrictions. NASA is not authorized to lease back property under this section during the term of the lease or enter into other contracts with the lessee respecting the property.

5.9 Plan and Reporting Requirements

5.9.1 The Administrator shall submit an annual report to Congress by January 31 of each year on the status of the EUL program. Assembling the report shall be the responsibility of the HQ/Facilities Engineering and Real Property Division in coordination with OCFO. EUL reports shall provide accounting as of the fiscal year just ended for lease revenue and balances and activity affecting capital asset accounts derived from the EUL activity as described in Sections 5.6 and 5.7. Reporting shall provide the capability to distinguish the following.

5.9.2 Fiscal year beginning and ending balances of the capital asset account.

5.9.3 Revenue derived from each lease. Distinctions shall be provided for cash proceeds versus in kind consideration. Data shall be traceable to source documents recorded in the Agency accounting system.

5.9.4 Costs directly associated with each lease in order to derive the full cost of each lease agreement.

5.9.5 Use of proceeds in accordance with provisions in EUL authority and as described above. Data shall be traceable to source documents recorded in the Agency accounting system.

Appendix A. Definitions

A.1 Direct Budget Authority. Direct Budget Authority is the authority provided by law to incur financial obligations that will result in outlays. The term direct budget authority is used in NPR 9090.1 to identify the authority NASA receives as the result of Congressionally enacted appropriations and apportionments issued by OMB. As used in NPR 9090.1, direct budget authority does not include reimbursable budget authority.

A.2 Full Cost. The term Full Cost is used to identify the fully burdened cost of a program or project. For purposes of reimbursable work, full cost means the direct and indirect resources used to provide the specific work. It would include Center Management and Operations (CM&O), except in the cases of Headquarters and Jet Propulsion Laboratory (JPL) agreements. Generally, it would not include Corporate G&A. The level of Headquarters expenses resulting from reimbursable agreements generally cannot be clearly identified with a specific customer's work and are so minimal that the collection of corporate charges from individual reimbursable agreements is not warranted. The full cost of Headquarters and JPL reimbursable agreements would include an administrative fee. See the discussion of the "Headquarters Administrative Fee for Headquarters and JPL Reimbursable Agreements," in Chapter 3 of this NPR.

A.3 Incremental Costs. Incremental costs are those costs that NASA will incur to perform a specified unit of work that are over and above the costs that NASA is currently incurring. Incremental costs do not include indirect or other costs that NASA will incur if the new work is not performed.

A.4 Interagency Agreements (IA). Interagency Agreements are agreements between NASA and another Federal agency that document the performance terms and conditions between the parties.

A.5 Reimbursable Agreement Price. The term Price is used in NPR 9090.1 to represent the level of reimbursement the customer is required to provide in return for a specified benefit the customer will receive.

A.6 Reimbursable Budget Authority. Reimbursable budget authority is provided by Congress annually. This is not the same as direct budget authority. By itself reimbursable budget authority does not permit the agency to incur obligations. Instead, reimbursable budget authority is authority to perform work on a reimbursable basis for other entities. Authority to incur obligations is recorded when signed reimbursable agreements are recognized. Monies collected from the reimbursable customer as payment for the services provided are included in the Agency's total budgetary resources.

A.7 Space Act Agreements. NASA's "Space Act Agreements Manual," NAI 1050-1 describes the types of Space Act Agreements and contains detailed guidance and advice for entering into Space Act Agreements.

A.8 Domestic Space Act Agreements are agreements between NASA and a non-government U.S. entity.

A.9 International Space Act Agreements are agreements between NASA and a non-U.S. entity. International reimbursable agreements are established and negotiated by NASA Headquarters. The Assistant Administrator for External Relations is responsible for the negotiation, execution, amendment, and termination of International Agreements.

Appendix B. Description of Authority

B.1 14 CFR § 1215, "Tracking a Data Relay Satellite System (TDRSS)." This regulation sets forth the reimbursement policy for TDRSS usage and has been established to purposely influence users to operate with TDRSS in the most efficient and orderly manner possible.

B.2 Chief Financial Officers Act of 1990 (31 U.S.C. § 902). This statute requires a biennial review of costs of services provided versus charges imposed. The Agency Office of the Chief Financial Officer (OCFO) shall be responsible for that review.

B.3 Commercial Space Competitiveness Act - Use of Government Facilities (15 U.S.C. § 5807). This Act provides authority for NASA to use its space-related facilities on a reimbursable basis to support commercial space activities, and to charge only direct cost.

B.4 Commercial Space Launch Act (49 U.S.C. § 701). This statute governs the sale, by NASA, of launch property for fair market value and the sale of launch services for direct cost only. The charge for launch services or reentry services is an amount equal to the direct costs, including the basic pay of Government civilian and contractor personnel, the Government incurred because of acquisition of the services.

B.5 Custodians of Money (31 U.S.C. § 3302). This statute requires all monies to be deposited to Treasury, unless otherwise provided by law.

B.6 Economy Act of 1932 (31 U.S.C. § 1535). This Act provides authorization for Federal agencies to request and perform interagency reimbursable work. Under the Act, such reimbursable work must be in the best interest of the Government, and goods and services are less expensive or more conveniently provided by Federal agencies than by commercial vendors.

B.7 Enhanced Use Lease (EUL) of Real Property (42 U.S.C. § 2459j). This section of the Space Act gives the Administrator authority to lease NASA real property to other Federal Agencies and non-Federal entities. The financial policy applicable to the EUL program is discussed in Chapter 5 of NPR 9090.1, Reimbursable Agreements.

B.8 Executive Orders and Regulations. The following Executive Branch issuances pertain to NASA's operations:

B.9 Federal Acquisition Regulation (FAR) Part 17.5, Interagency Acquisitions. Under the Economy Act and PART 1817.5 of the NASA FAR supplement The Federal Acquisition Regulation contains requirements and guidance concerning the use of reimbursable agreements between Federal agencies.

B.10 Fees and Charges for Government Services and Things of Value (31 U.S.C. § 9701). This Act requires that charges be fair; and based on (A) the costs to the Government; (B) the value of the service or thing to the recipient; (C) public policy or interest served; and (D) other relevant factors. User charges are ordinarily deposited into Treasury miscellaneous receipts, but may be retained by NASA where authorized by law. Detailed procedures for user charges are included in the Office of Management and Budget (OMB) Circular No. A-25.

B.11 Land Remote Sensing Policy Act of 1992, (15 U.S.C. § 5601-5602). To maximize the value of the Landsat program to the American public, unenhanced Landsat 4 through 6 data should be made available, at a minimum, to United States Government agencies, to global environmental change researchers, and to other researchers who are financially supported by the United States Government, at the cost of fulfilling user requests, and unenhanced Landsat 7 data should be made

available to all users at the cost of fulfilling user requests. The term "cost of fulfilling user requests" means the incremental costs associated with providing product generation, reproduction, and distribution of unenhanced data in response to user requests and shall not include any acquisition, amortization, or depreciation of capital assets originally paid for by the United States Government or other costs not specifically attributable to fulfilling user requests.

B.12 National Aeronautics and Space Act of 1958 (42 U.S.C. § 2451 et. seq.). The Space Act authorizes NASA "to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of its work and on such terms as it may deem appropriate, with any agency or instrumentality of the United States, or with any State, Territory, or possession, or with any political subdivision thereof, or with any person, firm, association, corporation, or educational institution." Additionally, the Act authorizes NASA "to use, with their consent, the services equipment, personnel, and facilities of Federal and other agencies with or without reimbursement, and on a similar basis to cooperate with other public and private agencies and instrumentalities in the use of services, equipment, and facilities." In addition, the Act states, "The Administration, under the foreign policy guidance of the President, may engage in a program of international cooperation in work done pursuant to this Act, and in the peaceful application of the results thereof, pursuant to agreements made by the President with the advice and consent of the Senate." Agreements using these authorities are referred to as Space Act Agreements. The NASA Space Act Agreements Manual is the primary source of guidance for entering into Space Act Agreements.

B.13 NASA Advisory Implementing Instruction (NAII) 1050-1, "Space Act Agreements Guide," March 7, 2008. This guide provides guidance and sample clauses on various classes of agreements divided according to the type of agreement and identity of the parties.

B.14 National Historic Preservation Act (16 U.S.C. § 470h-3). The National Historic Preservation Act provides Federal Agencies the authority to lease historic property and retain the proceeds to defray the cost of administration, maintenance, repair, and related expenses incurred by the agency with respect to property that is on the National Register.

B.15 NPD 1050.1, "Authority to Enter into Space Act Agreements." The Space Act provides authority to enter into Space Act Agreements, and the NPD provides guidance for entering into those agreements.

B.16 NPD 9010.2, "Financial Management." This NPD establishes that the Agency CFO directs, manages, and provides policy guidance and oversight of Agency financial management personnel, activities, and operations.

B.17 OMB Circular No. A-11, *Preparation, Submission, and Execution of Budget*. OMB Circular No. A-11 provides guidance on preparing Agency budget submissions and includes instructions on budget execution. This Circular requires an estimate of the amount of reimbursable work the agency expects to perform each fiscal year and the process for requesting the reimbursable spending authority for the monies collected from customers.

B.18 OMB Circular No. A-25, *User Charges*. Reimbursable policy regarding work for other than Federal entities under the authority of 31 U.S.C. § 9701 is covered by OMB Circular No. A-25 User Charges. In any case where another OMB Circular provides guidance concerning a specific user charge area, the guidance of that other Circular shall be deemed to meet the requirements of Circular No. A-25. In cases where another statute authorizes reimbursable work, the provisions of that statute apply.

B.19 OMB Circular No. A-45, *Rental and Construction of Government Quarters*. This Circular provides policy and direction concerning charges for rental quarters.

B.20 OMB Circular No. A-97, *Specialized or Technical Services for State and Local Governments*. As the title states this Circular provides guidance concerning the provision of specialized technical services to State and local governments.

Appendix C. Sample Estimated Price Report

Customer:

Unique Project Number:

Customer Order Number:

Work Breakdown Structure:

Cost Element	Estimated		
	Full Cost	Price Adjustment	Price Charged Customer
1. Civil Service Labor (Including Fringe):			
1.a. Project Staff Labor			
1.b. Project Staff Labor, Estimated Leave			
1.c. Service Pool Direct Charged Labor			
1.d. Total Civil Service Labor			
2. Civil Service Travel:			
2.a. Project Staff Travel			
2.b. Service Pool Direct Charged Travel			
2.c. Total Civil Service Travel			
3. All Other Direct Costs (Procurements, Contracts, Purchases, Grants, Materials, etc)			
3.a. Project Direct Procurements			
3.b. Service pool Direct Charged Procurements			
3.c. Total-Other Direct Costs			
4. Other Direct Costs			
5. Service Pool Costs			
5.a. Fabrication Services			
5.b. Science and Engineering Services			

5.c. Test Services			
5.d. Wind Tunnel Services			
5.e. Independent Technical Authority/Safety Mission and Assurance (ITA/SMA)			
5.f. Total Service Pool Costs			
6. Unfunded Costs			
7. CM&O			
8. CAAS			
9. HQ/JPL. Admin Fee			
10. Agreement Total			

Basis for Price Determination:

Source of funding for waived incremental costs:

Required Signatures

Agreement Manager:

Name	_____	Signature	_____
Title	_____	Date	_____

Center Chief Financial Officer:

Name	_____	Signature	_____
Title	_____	Date	_____

Instructions for Completion of the Estimated Price Report

The sample Estimated Price Report shown above consist of three sections.

The first section is the heading and contains the following information:

1. The customer's name and address.
2. The customer order number.
3. The Work Breakdown Structure (WBS).
4. The Unique Project Number.

The second section is a table consisting of four columns.

The column headings for the four columns are:

Column 1 - Cost Element. The column identifies the types of cost that make up the full cost of the reimbursable agreement.

Column 2 - Full Cost. This column contains the full cost dollar amounts for each of the cost elements identified in column 1.

Column 3 - Price Adjustment. This column identifies the dollar difference by cost element between the full cost and the price the customer is required to pay. This may be either the adjustment needed to get to the market price, or the amount of waived cost or a combination of the two.

Column 4 - Price Charged Customer. This column identifies the dollar amounts by cost element that make up the price the customer is required to pay.

The rows of the table contain the title and associated dollar amounts for each of the cost elements that are applicable to the reimbursable agreement.

Row 1. Civil Service Labor. All estimated labor must include fringe and paid leave. (This is a title row therefore no entries are to be made in the other columns on this row.)

Row 1.a. Project Staff Labor. This row contains the dollar amounts applicable to the labor of non-service pool civil servants assigned to the reimbursable agreement.

Row 1.b. Project Staff Labor, Estimated Leave. The estimate for leave should be based on annual leave and comp time earned during the period that the staff will be working on the project plus an estimate of costs for other compensated absences (e.g., sick leave).

Row 1.c. Service Pool Direct Charge Labor. This row contains the dollar amounts applicable to the labor of service pool civil servants who direct charge their time to the reimbursable agreement.

Row 1.d. Total Civil Service Labor. This row contains the total of the amounts in rows 1.a., 1.b., and 1.c.

Row 2. Civil Service Travel: (This is a title row therefore no entries are to be made in the other columns on this row.)

Row 2.a. Project Staff Travel This row contains the dollar amounts applicable to the travel of non-service pool civil servants assigned to the reimbursable agreement.

Row 2.b. Service Pool Direct Charge Travel. This row contains the dollar amounts applicable to the travel of service pool civil servants who direct charge their time to the reimbursable agreement.

Row 2.c. Total Civil Service Travel. This row contains the total of the amounts in rows 2.a. and 2.b.

Row 3. All Other Direct Costs (Procurements, Contracts, Purchases, Grants, Materials, etc). (This is a title row therefore no entries are to be made in the other columns on this row.)

Row 3.a. Project Direct Procurements. This row contains the dollar amount of Procurements, Contracts, Purchases, Grants, and Materials that are managed by the project staff. That includes costs of any support contractors.

Row 3.b Service Pool Direct Charge Procurements. This row contains the dollar amounts of Procurements, Contracts, Purchases, Grants, and Materials that are managed by a service pool and direct charged to the reimbursable project.

Row 3.c Total-Other Direct Costs. This row contains the total of the amounts in rows 3.a. and 3.b.

Row 4. Other Direct Costs. Enter amounts for any other costs not covered in that are direct charged to the reimbursable agreement.

Row 5. Service Pool Costs. (This is a title row therefore no entries are to be made in the other columns on this row.)

Row 5.a. Fabrication Services (FAB). This row contains the dollar amounts of FAB pool indirect costs that will be charged to the reimbursable project during the monthly cost assessment process.

Row 5.b. Science and Engineering Services (S&E). This row contains the dollar amounts of S&E pool indirect costs that will be charged to the reimbursable project during the monthly cost assessment process.

Row 5.c. Test Services. This row contains the dollar amounts of Test pool indirect costs that will be charged to the reimbursable project during the monthly cost assessment process.

Row 5.d. Wind Tunnel Services. This row contains the dollar amounts of Wind Tunnel pool indirect costs that will be charged to the reimbursable project during the monthly cost assessment process.

Row 5.e. Independent Technical Authority/Safety Mission and Assurance (ITA/SMA). This row contains the dollar amounts of ITA/SMA pool indirect costs that will be charged to the reimbursable project during the monthly cost assessment process.

Row 5.f. Total Service Pool Costs. This row contains the total of the amounts contained in rows 5.a through 5.e.

Row 6. Unfunded Costs. This row contains the amounts of unfunded costs that would be applicable to the reimbursable agreement. Examples include depreciation or withdrawals from inventory, if any. This row should not include unfunded costs for earned annual leave (that should be included with Civil Service labor costs). Unfunded costs should be a valid cost component that could be billed to the reimbursable customer but for which there should not be reimbursable budget authority distributed.

Row 7. CM&O. This row contains the amounts of CM&O charges that are applicable to the reimbursable agreement.

Row 8. Contract Administration and Audit Services (CAAS). This row contains the amounts of CAAS charges that are applicable to the reimbursable agreement.

Row 9. Headquarters Administrative Fee. This row contains the Headquarters administrative fee that is applicable to reimbursable work performed at Headquarters or the Jet Propulsion Laboratory.

Row 10. Agreement Total. This row is the sum of rows 1 through 9.

The third section of the EPR contains information about the market survey or other process used to establish the price to be paid by the customer.

Source of funding for waived incremental costs. Enter the source or sources of the funding needed to cover waived incremental costs applicable to this agreement.

The last section of the EPR contains the names, titles, signatures, and signature dates of the Agreement Manager and the Center Chief Financial Officer.